Token Sale Best Practices
Transparency and Reporting

The questions below are typical of those which ICO participants ask when considering taking part in a token sale. If you're ready to launch your ICO, DigitalX will gather this info and more, and work with you to create a tailored strategy for optimizing your token sale.
SOLUTION & PRODUCT
DESCRIBE THE PROTOCOL OR SERVICE AS IF IT WERE A PRODUCT:
- What will be developed.
- What problem does the product/platform solve.
- What function or utility does it perform.
- What's the development roadmap i.e. detailed plan for the next 12–18 months (that includes a beta launch).
- Outline the Blockchain on which you are building your token (e.g. Ethereum, proprietary).
- How is security handled.
- Describe the typical user or customer and what you’ll offer them that is different or better than what currently exists.
- How will you acquire these customers.

TOKEN IMPLEMENTATION
HOW THE TOKEN INTERACTS WITH THE PRODUCT, ECONOMICS AND TECHNICAL:
- What is the purpose of the token.
- Describe a viable economic model which underpins the token.
- What is the token distribution structure.
- How does value flow from the outside of the ecosystem to the inside, and vice versa.
- Determine token sale targets with a minimum, target and hard cap (if any).
- How will new users and participants be rewarded in the future.
- Create the digital token using a developer platform or the Solidity programming language.
TEAM:

- History & business experience of founders.
- What is the depth and breadth of the team’s block chain experience.
- Does the Team include a Blockchain Engineer.
- Secure a developer team that will support your project through the build process and stay with the project to maintain and upgrade.
- Who are the official directors/executives.
- Who (if anyone) comprises the Advisory Board.

TOKEN DEPLOYMENT & PLAN:

- How will the organization interact with the token once it hits the market.
- Will you retain a token supply beyond the pre-sale.
- Will the organization be executing token buy-backs.
- What are the events that trigger selling retained tokens on the market (and how does that impact the economics of your token).
- When will the token be listed on an exchange(s) and on what exchange(s).
- Engage a reputable escrow agent to manage the token sale process.
- Receive commitment from an exchange to list your tokens so that token buyers can see a potential short-term liquidity event.
- Engage an investor group to underwrite your token sale, ensure wide distribution and support the aftermarket trading.
- Engage a marketing group with a global reach to manage your organizations social media and public releases.
- Engage a marketing platform to market your token sale during the offer period.
COMMUNITY/COMMUNICATION:
- Secure a community that will support and discuss your project Pre-token sale.
- Are delivery assurances well-articulated and measurable.
- Are you blogging regularly about your work.
- What success milestones do you foresee making yourself accountable for, from a product, market, and organizational perspective.
- Do you maintain orderly and moderated slack channels.
- Does GitHub or another public repository reflect your organizations progress, and create transparent track record.

GOVERNANCE:
- Who is the legal entity behind the project, market.
- What legal structures are being disclosed.
- What form of incorporation has it taken.
- In which jurisdiction is it adhering.
- How will the proceeds from the token sale be spent, will salaries will be drawn.
- Are there plans for external or internal audits.
- Consider committing to an independent audit during the development phase.

LEGAL/COMPLIANCE:
- What are the apparent, perceived or real regulatory risks.
- Have you published the "Terms and Conditions" of the sale in clear language.
- Have appropriately specialized persons been employed to craft the token issuance contracts and actual token issuance software.
DigitalX is a Blockchain Technology Company based out of Perth and New York. We provide ICO advisory services, blockchain consulting services and blockchain-related software development. Our partners can use DigitalX’s Blockchain technology expertise to deliver innovative products to global markets. DigitalX has raised approximately $20m from Investors and is well placed to deliver advice to the Token Sale marketplace.

Contact us if your business is ready to begin the ICO process. DigitalX can assist with everything from technical due diligence to fundraising.

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